

IN THE MATTER OF

ILLINOIS CENTRAL INDUSTRIES, INC., ET AL.

MODIFYING ORDER IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT AND SEC. 7 OF THE CLAYTON ACT

Docket C-2370. Consent Order, March 26, 1973—Modifying Order, March 16, 1983

The Federal Trade Commission has reopened this matter and declared that Paragraph VI of the order issued on March 26, 1973 (82 F.T.C. 1097) shall be of no further force and effect. Paragraph VI barred Midas-International Corp., an IC subsidiary, from purchasing any product containing automotive brake friction material manufactured by Abex Corp., another IC subsidiary.

ORDER MODIFYING DECISION AND ORDER

On November 16, 1982, respondent IC Industries, Inc. (formerly Illinois Central Industries, Inc.) ("IC") filed its "Petition Pursuant To Rule 2.51 To Reopen And Modify Consent Order" ("Petition"). The Petition asked that the Commission reopen the consent order that issued on March 26, 1973 in this matter ("the order") and set aside Paragraph VI thereof. Paragraph VI of the order perpetually bans IC's subsidiary, Midas-International Corporation ("Midas") from purchasing, directly or indirectly, any products containing automotive brake friction materials manufactured by Abex Corporation ("Abex"), another subsidiary of IC. It also bans Midas from selling or distributing such products. Paragraph VI likewise perpetually bars Midas from purchasing automotive flashers from IC or from selling or distributing such flashers manufactured by IC. IC's Petition was on the public record for thirty days and no comments were received.

Based on respondent's Petition and on other information available to it, the Commission has determined that IC has made a satisfactory showing that the public interest warrants reopening and modification of the order in the manner requested by respondent. Accordingly,

It is ordered, That this matter be, and it hereby is, reopened and that Paragraph VI of the Commission's order shall be of no further force and effect as of the effective date of this modifying order.

Modifying Order

101 F.T.C.

IN THE MATTER OF

GOLDEN TABS PHARMACEUTICAL CO., INC.

MODIFYING ORDER IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT*Docket 8792. Final Order, March 16, 1970—Modifying Order, March 17, 1983*

This order reopens the proceeding and modifies the Commission's order issued on March 16, 1970 (77 F.T.C. 277), by allowing respondent to disclose, clearly and conspicuously any place in advertisements, that there are conditions and obligations attendant upon acceptance of free or nominally priced offers. The modified order also reflects the company's new name and deletes from the order the name of the company's founder, Michael Posen.

ORDER REOPENING THE PROCEEDING AND
MODIFYING CEASE AND DESIST ORDER

On November 17, 1982 Golden Tabs Pharmaceutical Co., Inc., respondent in the above-captioned matter, filed a petition pursuant to Rule 2.51 of the Commission's Rules of Practice to reopen the proceeding and modify the order entered therein.

The order, which was entered in 1970, covers "Golden 50 Tablets" or any food, drug, device or cosmetic. The complaint, which was issued on July 17, 1969, alleged, among other things, that respondent had represented in advertisements that Golden 50 Tablets would be sent free to persons responding to respondents' advertisements and that persons answering said advertisements will be under no obligation to purchase additional supplies of respondents' products. In truth and in fact, the Hearing Examiner found that the 30 day supply of respondents' product were not free for the reason that the offer was an inseparable part of a plan under which respondents, after the receipt of the 30 day supply by those who accepted the offer, shipped additional monthly supplies of the product and attempted to collect the price for these shipments. Furthermore, the Examiner found that persons answering the ads are under an obligation to purchase additional supplies or to notify respondents to cancel further shipments. After sending the 30 day supply, respondents shipped additional supplies each month, mailed statements requesting payment and threatened visits by company representatives in an attempt to collect payment. The Examiner also found that in many cases even if persons notified respondents that they did not wish additional supplies to be sent, respondents continued to ship supplies of said product to those persons and attempted to collect the price.